

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF PAUL AND) APPEAL NO. 07-A-2644
SHIRLEY OVERTON from the decision of the Board) FINAL DECISION
of Equalization of Valley County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing January 22, 2008, in Cascade, Idaho before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellants Paul and Shirley Overton appeared. Assessor Karen Campbell, Deputy Assessor Deedee Gossi and County Appraiser June Fullmer appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RPM00000098814A.

The issue on appeal is the market value of a residential property.

The decision of the Valley County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$99,510, and other valuation (building) is \$168,090, totaling \$267,600. Appellants request the land value be reduced to \$55,305, and the improvements' value be reduced to \$122,270, totaling \$177,575.

The subject property is a single-family residence on .23 acres located in McCall, Idaho. Built in 1950, the residence has 1,560 square feet.

Appellants explained subject's assessed land values increased from \$43,950 in 2005 to \$49,380 in 2006, and then to \$99,510 in 2007. The increase from 2005 to 2006 was 12% and the increase from 2006 to 2007 was 233%. The taxpayer stated a 12% increase was fair and if a 12% increase were applied from 2006, the assessed land value would be \$55,305.

Appellants disagreed that sales used by the County at BOE were comparable properties. Appellants argued the sales were in newer developments, lakefront or golf course properties, and had amenities which subject lacks. It was explained that subject is located on a street comprised of older residences and a mobile home park. Photographs and parcel information of neighboring properties was submitted. An area map of McCall was also submitted.

Appellants provided Multiple Listing Service (MLS) data from nine improved and unimproved sales to establish subject's market value at \$177,575, or \$114 per square foot. The sales occurred from 2003 to 2006 and were located on the same street as subject. Lots ranged from .14 to 4.25 acres. No other details were provided regarding the properties. Sale prices ranged from \$33,000 to \$765,000. For comparison, subject was assessed at \$267,600, or \$172 per square foot.

Appellants asserted that a 4.25 acre lot on subject's street sold in 2005 for \$765,000, or \$45,000 per acre. In using this comparison, Appellant suggested subject's assessed value is much higher than the value indicated by the sale.

The County explained that three assessment notices were sent out in 2007. After the first assessment, the Idaho State Tax Commission ran a ratio study and determined that land values in subject's area were too high. The Commission recommended the County lower the land values and increase improvements value. Therefore a corrected second assessment notice was generated. The State Tax Commission then determined ratios were still out of compliance and mandated the County apply a positive 20% trend to all improvement values in the McCall North neighborhood. This created a third assessment notice.

The County agreed sales presented at BOE were difficult to understand and not comparable to subject. Therefore the County presented seven alternative sales in subject's area

that were more similar to subject. These sales were located in subject's immediate area and also received the mandated positive 20% trend.

The sales occurred in 2005 and 2006 and were located in close proximity to subject. The residences were built between 1940 and 1965, and contained 660 to 2,324 square feet of living area. Sale prices ranged from \$255,000 to \$320,000 or \$138 to \$386 per square foot. Lot size was not provided, nor were adjustments made to the comparable sale prices for differences from subject.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code provides "All property within the jurisdiction of this state, not expressly exempted, is subject to appraisal, assessment and property taxation." I.C. § 63-203.

Idaho Code further directs that "rules promulgated by the State Tax Commission shall require each assessor to find market value for assessment purposes of all property." I.C. § 63-208(1).

For taxation purposes, Idaho requires property be valued at market value. I.C. § 63-201(10). The Idaho Administrative Code defines market value and accepted appraisal procedures:

01. Market Value Definition. Market value is the most probable amount of United States dollars or equivalent for which a property would exchange hands between a knowledgeable and willing seller, under no compulsion to sell, and an informed, capable buyer, under no compulsion to buy, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

03. Appraisal Procedures. Market value for assessment purposes shall be determined through procedures, methods, and techniques recommended by nationally recognized appraisal and valuation associations, institutes, and societies and according to guidelines and publications approved by the State Tax Commission.

IDAPA 35.01.03.217.01, .03, see also I.C. § 63-201(10) (emphasis added).

Appellants offered limited information on nine property sales to support subject's claimed market value claim of \$177,575. Although Appellants' comparable sales were located on subject street, no information as to lot size or residential square footage was submitted. The Board commends Appellants for thoroughly researching and presenting their case. However, we find Appellants' comparable sales were not adequately detailed or analyzed to prove a clear indication of value. Therefore it is unknown if the sales support the assessment reduction claim.

Respondent offered seven residential property sales to support subject's assessed value. These properties generally resembled subject in terms of age, location, and construction quality. The Board finds Respondent's comparable sales were more adequately detailed and therefore more consideration was given to these sales.

A property valuation for taxation purposes, as determined by an assessor, is presumed correct and the taxpayer has the burden of proof to show an entitlement to relief. *Merris v. Ada County*, 100 Idaho 59, 64, 593 P.2d 394, 399 (1979). Idaho Code provides "a preponderance of evidence shall suffice to sustain the burden of proof." I.C. § 63-511(4).

The Board will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. *Roeder Holdings, L.L.C. v. Bd. of Equalization of Ada County*, 136 Idaho 809, 41 P.3d 237 (2001); *Merris*. Appellants claimed subject's assessment was erroneous, but failed to demonstrate specific errors. Comparable sales provided by

Respondent reasonably support subject's assessed value. Therefore, we find the assessment was not arbitrary and Appellants did not demonstrate error by a preponderance of the evidence. The decision of the Valley County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED April 3, 2008